GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4975
ANSWERED ON:10.05.2007
FUNDS OF BBUNL
Khan Shri Sunil

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Bharat Bhari Udyog Nigam Ltd. (BBUNL) has kept fixed deposit amounting to Rs.2,072.13 lakhs with a Scheduled Bank as on March 31, 2004;

(b) if so, where from BBUNL has earned this money while they have no other source of income except taxing the generation of funds by its different subsidiaries; and

(c) when such huge funds are lying in Fixed Deposit Account in the Scheduled Bank, the reasons as to why different subsidiaries of BBUNL are facing liquidity problems?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) Yes Sir.

(b) & (c): The fixed deposit amount includes:
(i) disinvestment proceeds (sale of shares) of Jessop & Company Limited (Rs.1573.88 lakhs). The matter is sub-judice in the Hon'ble Supreme Court of India. The amount is lying with BBUNL since this may have to be returned in the event of Supreme Court giving verdict against the sale of shares.
(ii) The balance amount comprises un-disbursed Government of India Funds (Plan & Non-Plan) pending utilization by concerned subsidiary companies for their ongoing projects.

The funds released by the Government are against specific sanction under "Plan" and "Non Plan" heads. These are required to be utilized only for the intended purposes and cannot be utilized for any other purpose whatsoever. Thus neither "Plan" nor can "Non Plan" funds be utilized for meeting normal working capital requirements of the subsidiary companies.